



Legislation Text

File #: 0442-2020, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a dual-rate Jobs Growth Incentive Agreement with Northwest Bank in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.

Founded in 1896 and headquartered in Warren, Pennsylvania, Northwest Bank is a full service financial institution offering a complete line of business and personal banking products, employee benefits, and wealth management services, as well as fulfillment of business and personal insurance needs. Northwest operates 172 full-service community banking offices in Pennsylvania, New York, and Northeast Ohio but has been expanding further into the Midwest. The proposed Columbus site will be dedicated to mortgage loan production in the Columbus area which will be a new market for the company.

Northwest Bank is proposing to invest approximately \$20,000 in technology and \$100,000 in furniture and fixtures to expand operations at 1 Easton Oval, Suite 415, Columbus, Ohio 43219, parcel number 520-250980. Additionally, Northwest Bank will create 50 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$3,192,317 to support its growth and retain 23 full-time permanent positions with a cumulative annual payroll of \$1,505,048. Northwest Bank is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion project. This legislation is presented as 30 day legislation.

To authorize the Director of the Department of Development to enter into a dual-rate Jobs Growth Incentive Agreement with Northwest Bank for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$120,000.00 and creation of 50 net new full-time permanent positions with an estimated annual payroll of approximately \$3,192,317.00.

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the Department of Development received a completed Jobs Growth Incentive Application from Northwest Bank; and

WHEREAS, Northwest Bank proposes to expand operations by investing a total project cost of approximately \$120,000 in technology and furniture and fixtures. With this project, the company plans to lease approximately 8,650 sq. ft. at 1 Easton Oval, Suite 415, Columbus, Ohio 43219, parcel number 520-250980 to support these operations; and

WHEREAS, Northwest Bank will create 50 net new full-time permanent positions with an estimated associated annual payroll of approximately \$3,192,317 and retain 23 full-time permanent positions with an associated annual payroll of approximately \$1,505,048 at the proposed project site; and

WHEREAS, Northwest Bank has indicated that a Jobs Growth Incentive is crucial to its decision to establish administrative operations within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Northwest Bank at the project site by providing a Jobs Growth Incentive; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

- SECTION 1.** That the Director of the Department of Development is hereby authorized to enter into a dual-rate Jobs Growth Incentive Agreement with Northwest Bank equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.
- SECTION 2.** Should Northwest Bank not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).
- SECTION 3.** Each year of the term of the agreement with Northwest Bank the City's obligation to pay the incentive is expressly contingent upon the passage of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.
- SECTION 4.** That the City of Columbus Jobs Growth Incentive Agreement is signed by Northwest Bank within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.
- SECTION 5.** The City Council hereby extends authority to the Director of the Department of Development to amend Northwest Bank's City of Columbus Jobs Growth Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these certain modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.
- SECTION 6.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.